OUTGINAL

DOUGLAS A. DUCEY Governor





RECEIVED Director

7016 APR -5 A 10: 26

ARIZONA DEPARTMENT of WATER RESOURCES Z CORP COMMISSION
3550 North Central Avenue, Second Floor DOCKET CONTROL

Phoenix, Arizona 85012-2105 602.771.8500 azwater.gov

Arizona Corporation Commission

DOCKETED

APR 0 5 2016

DOCKETED BY

March 28, 2016

Docket Control Arizona Corporation Commission 1200 W. Washington Phoenix, Arizona 85007

RE: Emerging Technologies in Energy, Docket No. E-00000J-13-0375

Dear Commissioners, Parties and Stakeholders:

Thank you for the opportunity to comment on Emerging Technologies in Energy, Docket No. E-00000J-13-0375. Water and energy are vital to Arizona's economy. These two resources are interdependent, it takes water to produce energy and conversely, energy is required to produce water. The conservation of one resource conserves the other.

Through this docket the Commission has raised excellent points regarding the need to investigate the water energy nexus and its link to planning for Arizona's future. I am grateful that the questions that have been asked are being raised by our policy leaders and offer the Arizona Department of Water Resources' (Department) perspective on what actions need to be taken to protect Arizona's water supplies for our current and future residents.

The past few years have been extremely eventful for Arizona's water community. As a State, our water supplies are currently in good shape. However, there is still uncertainty and vulnerability surrounding our water supplies.

The Colorado River system, which supplies forty percent of Arizona's total water use, has experienced extensive drought conditions for the past 16 years. This has resulted in Lake Mead dropping to historically low reservoir levels. Most recent projections show a probability of shortage as soon as 2017. Recent studies have also identified the potential for a long-term imbalance between available water supplies and projected water demands over the next 100 years.

In January 2014, the Department published Arizona's Strategic Vision for Water Supply Sustainability which created the framework for the development of potential strategies to address the projected imbalances. The Strategic Vision identified that there are areas of the state which have the potential for future renewable energy development.

We must continue to manage and prepare for these challenges responsibly, as we have done throughout our state's history. I look forward to continuing the conversation and improving the long-term sustainability of Arizona's water supplies.

Sincerely,

Term Suutt

Thomas Buschatzke

Director